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FM AMEMBASSY ASHGABAT
TO RUEHC/SECSTATE WASHDC PRIORITY 1427
INFO RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE PRIORITY
RUCNCIS/CIS COLLECTIVE PRIORITY
RUCNMEM/EU MEMBER STATES COLLECTIVE PRIORITY
RUEHAK/AMEMBASSY ANKARA PRIORITY 4212
RUEHBJ/AMEMBASSY BEIJING PRIORITY 2024
RUEHKO/AMEMBASSY TOKYO PRIORITY 1889
RUEHIT/AMCONSUL ISTANBUL PRIORITY 2460
RUCNDT/USMISSION USUN NEW YORK PRIORITY 0877
RHMFIUU/CDR USCENTCOM MACDILL AFB FL PRIORITY
RUEHVEN/USMISSION USOSCE PRIORITY 2821
RUEAIIA/CIA WASHDC PRIORITY
RHEFDIA/DIA WASHDC PRIORITY
RHEHNSC/NSC WASHDC PRIORITY
RUEKJCS/SECDEF WASHDC PRIORITY
RUEKJCS/JOINT STAFF WASHDC PRIORITY

UNCLAS ASHGABAT 001129

SENSITIVE
SIPDIS

STATE FOR SCA/CEN;

E.O. 12958: N/A

TAGS: [PGOV](#) [ECON](#) [TX](#)

SUBJECT: TURKMENISTAN: NEW BUILDINGS RISE IN TURKMENABAT,
ALONG WITH FOOD PRICES

REF: ASHGABAT 1071

¶1. (U) Sensitive but unclassified. Not for public Internet.

¶2. (SBU) SUMMARY: Turkmenabat is growing, with large construction projects from Russian and Turkish firms. Projects include an "Olympic Stadium," schools, and hotels. Locals complain that food prices have risen recently -- possibly as a result of an increasing Chinese presence -- but otherwise seem optimistic about their city's mid-term growth prospects. END SUMMARY.

¶3. (SBU) Although Turkmenabat City in the north of the country in no way rivals Ashgabat for a skyline of cranes and scaffolding, it is growing markedly. Most major construction projects are with Russian or Turkish firms, and the Chinese are building several new Chinese National Petroleum Company offices. Important projects -- many funded by Turkmenistan's government -- include the "Olympic stadium," several new hotels, business offices, and schools (both Turkmen and Turkish). Locals are particularly happy about the increased educational opportunities the new schools can bring.

¶4. (SBU) Locals do complain that the price of food has risen in recent months. In particular, the price of rice has gone up 10%-20% since June. Meat prices have risen noticeably, and restaurant prices have also increased. The higher food prices may well be due to the influx of Chinese due to the drilling and refinery contracts for China National Petroleum Corporation's production sharing agreement area on the right bank of the Amu Darya River (reftel).

¶5. (SBU) Turkmenabat locals are generally optimistic about prospects for their city. A hefty number of young Turkmen are studying across the Uzbek border, particularly at the Medical Institute in Bukhara (see reftel for more on this issue). Many are still reluctant to talk about the Niyazov era. One family admitted that under the new president they do not feel as "stifled" as before.

¶6. (SBU) COMMENT: Even in relation to other cities outside the capital, Turkmenabat hardly has a reputation as a

happening place. Still, the healthy volume of construction projects, its important position along the Turkmen-Uzbek trade route, and its growing Chinese presence make Turkmenabat a city to watch in the medium term. END COMMENT.
CURRAN